



**Livestock and Seed Program  
Audit, Review, and Compliance Branch  
Quality System Audit Report**

**AUDIT INFORMATION**

<b>Applicant Name:</b>	Maryland Department of Agriculture (MDA)
<b>Est. Number:</b>	N/A
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<b>Auditor(s):</b>	Martin Friesenhahn
<b>Program:</b>	USDA National Organic Program (NOP)
<b>Audit Date(s):</b>	July 19-20 and 30, 2007
<b>Audit Identifier:</b>	NP7032BBA
<b>Action Required:</b>	Yes
<b>Audit Type:</b>	Corrective Action Audit
<b>Audit Objective:</b>	To verify that submitted corrective actions adequately address the non-compliances identified during the Surveillance-Accreditation Renewal Audit.
<b>Audit Criteria:</b>	7 CFR Part 205, National Organic Program, Final Rule, dated December 21, 2000; Updated September 11, 2006
<b>Audit Scope:</b>	Submitted corrective actions
<b>Location(s) Audited:</b>	Desk

Maryland Department of Agriculture (MDA) submitted corrective actions dated June 8, 2007 to the National Organic Program (NOP) addressing the non-compliances from the on-site audit conducted April 16 – April 19, 2007. The corrective actions were requested May 14, 2007 by the NOP and received by the auditor on July 16, 2007 (received June 13, 2007 by the NOP). Additional responses and guidance were provided by the NOP on July 22 and 23, 2007, for NP7032BBA.NC5 and NP7032BBA.NC1.

**FINDINGS**

The corrective actions submitted by MDA adequately addressed four of the six non-compliances from the on-site audit. Two non-compliances were not adequately addressed and remained outstanding.



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**NP7032BBA.NC2 -- Adequately Addressed** - NOP §205.402 Review of application – (a)(1-2) states, “Upon acceptance of an application for certification, a certifying agent must: (1) Review the application to ensure completeness pursuant to §205.401; and (2) Determine by a review of the application materials whether the applicant appears to comply or may be able to comply...” *The organic system plan for the processor (processor observed during the on-site inspection) did not have all areas completed prior to the inspection. The document review by MDA did not identify and address the incomplete areas prior to the inspection. The incomplete areas of the organic system plan therefore had to be determined during the inspection.* **Corrective Action:** An Initial Review Sheet checklist MDA-DOC-032 (May 10, 2007) was created to ensure incomplete and/or non-compliant areas of the organic system plan or related documents are identified and addressed prior to inspection. The checklist has been in use since May 10, 2007.

**NP7032BBA.NC3 -- Adequately Addressed** -NOP §205.403 (a)(1) On-site inspection – states, “...An on-site inspection shall be conducted annually thereafter for each certified operation that produces or handles organic products...” In addition, MDA-DOC-006 requires annual inspections as part of the certification process. *MDA did not conduct the annual inspections for at least five processors in a timely manner. The inspections were completed up to nine months past the annual inspection date. However, the crop and livestock inspections were completed closer to the required annual inspection dates.* **Corrective Action:** The previous Administrator in charge of the Organic Program was on emergency medical leave for almost seven months and the other program staff was not aware of the inspections that were due. A different Administrator is now monitoring the current inspections along with the Program Manager and Administrative Officer. To prevent reoccurrence, a spreadsheet (MDA-DOC-29) was implemented in 2006 to track inspection dates and ensure that all inspections are conducted in a timely manner. The overdue inspections were completed by April 2007.

**NP7032BBA.NC4 -- Adequately Addressed** - NOP §205.403 (c)(1-3) Verification of information – states, “The on-site inspection of an operation must verify: (1) The operation’s compliance or capability to comply with the Act and the regulations in this part; (2) That the information, including the organic production or handling system plan... accurately reflects the practices used or to be used by the applicant for certification or by the certified operation; and (3) That prohibited substances have not been and are not being applied to the operation...” *During the observation of the processor inspection, it was determined that the inspector did not adequately review the organic flavorings that are occasionally added to the coffee beans. However, the main portions of the coffee roasting and processing were adequately reviewed.* **Corrective Action:** The Inspection Protocols procedure MDA-SOP-007 (June 8, 2007) was revised and distributed to inspectors clarifying the information that is required to be verified during inspections. The Program Manager reviewed the revised SOP with the inspector that had conducted the processor inspection during the audit. In addition, supervisory reviews of the organic inspections will be conducted during the next three months to ensure all inspectors are following the revised procedure and fully reviewing the operations and completing the inspection reports.



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**NP7032BBA.NC6 -- Adequately Addressed** - NOP §205.603(a)(13) National List – Synthetic substances allowed for use in organic livestock production states, “Parasiticides, Ivermectin – prohibited in slaughter stock, allowed in emergency treatment for dairy and breeder stock when organic system plan-approved preventive management does not prevent infestation. Milk or milk products from a treated animal cannot be labeled... for 90 days following treatment. In breeder stock, treatment cannot occur during the last third of gestation if the progeny will be sold as organic...” *The MDA Organic Certification Program Animal Production Inspection Form (MDA-DOC-027 April 13, 2007) had listed under the Health Management section (D.12, p.8) that Ivermectin is allowed by the NOP. This statement is not correct as stated in the NOP National List which prohibits Ivermectin in slaughter stock and has certain restrictions for dairy and breeder stock.* **Corrective Action:** The MDA Organic Certification Program Animal Production Inspection Form was revised (MDA-DOC-027 April 20, 2007) and the previous statement regarding Ivermectin was removed. In addition, the revised inspection reports were distributed to all inspectors with the instruction to destroy previous versions.

**NP7032BBA.NC1 -- Not Adequately Addressed** - NOP §205.102(b) requires that any agricultural product that is sold, labeled, or represented as “100 percent organic,” “organic,” or “made with organic (specified ingredients or food group(s))” must be: (b) handled in accordance with the requirements specified in §205.101 or §§205.270 through 205.272 and all other applicable requirements of this part 205. *During the observation of the livestock operation, the inspector did not recognize that the terminology of “certified organic” and “organically raised” was similar. Therefore, it was considered acceptable by the MDA inspector to have beef cuts represented as organically raised that had been processed at a facility that had not been certified as an organic processor for beef. It was stated during the inspection that this was acceptable since it was not being represented as certified organic.* **Corrective Action:** MDA’s response was that Maryland does not have a certified organic slaughter operation and that it creates a hardship for certified organic producers of livestock as they are unable to identify their meat products as organic. MDA also stated that the livestock operator in question is not labeling the beef as organic or certified organic but uses a sign at the Farmers Markets that his cattle are raised organically and slaughtered conventionally. MDA went on to say that MDA allows livestock producers certified organic by MDA to inform their customers that they have produced their livestock organically as long as they notify them that the livestock are slaughtered conventionally. In the corrective actions MDA requested guidance from the NOP to determine if their policy is compliant with the NOP.

The NOP provided the following response on July 23, 2007 which indicated that the MDA policy was not acceptable to the NOP. “The animals are produced organically, slaughtered at a conventional slaughterhouse and sold as organically produced. The meat being sold as organically produced is not organic because it lost its organic status once it left the organic operation for conventional handling.” The NOP response also stated, “According to section 205.236(b)(1), (b) The following are prohibited: (1) Livestock or edible livestock products that are removed from an organic operation and subsequently managed on a nonorganic operation may not be sold, labeled, or represented as organically produced.”



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**NP7032BBA.NC5 -- Not Adequately Addressed** - NOP §205.404(b)(2-3) Granting certification and NOP §205.406(d) Continuation of certification states, "The certifying agent must issue a certificate of organic operation which specifies (2) the effective date of certification; and (3) categories of organic operation. (d) If the certifying agent determines that....any of the information specified on the certificate of organic operation has changed, the certifying agent must issue an updated certificate of organic operation pursuant to §205.404(b)." *The effective date listed on the MDA certificates were not when the certified operations were first certified to the NOP. Some MDA certificates were issued as Transitional Organic Certificates for the clients that were in transition and certified clients that had some transitional fields had the specific field listed as Transitional. Both of these certificates listed the eligible date of the fields. The Transitional Organic Certificate referenced that the client was following the requirements of the NOP and was listed as "Transitional Organic" under the USDA NOP. The certificates for the certified operations had the USDA Organic and MDA Seals and identified the operations as eligible to operate under the MDA Organic Certification Program and the NOP. In addition, certificates that were updated did not include the date of the updated information.* **Corrective Action:** The corrective actions only partially addressed this non-compliance. The MDA Certificate for certified operations was revised (MDA-DOC-022, revised June 8, 2007) to include the effective date first certified to the NOP and an updated date which is the date the information was most recently updated. Updated certificates with the correct effective date will be provided to all currently certified operations by December 31, 2007. This portion of the non-compliance was adequately addressed.

MDA stated that they are unclear on the non-compliance for transitional fields on certified operations certificates and the issuance of transitional certificates. MDA also stated that the USDA/NRCS has been offering cost share money per acre for agricultural land that is being transitioned to organic and that they wanted the assurance that the producers are following all requirements of the NOP. MDA mentioned that their producers had indicated to them that they needed a certificate indicating that they are following all of the requirements of the NOP but that their land is not eligible (due to being in organic transition). The transitional certificates do not indicate that any products are certified organic or organic, only that the producer is following the requirements of the NOP. In the corrective actions, MDA has requested specific guidance from the NOP on the options that would be compliant with the NOP for providing the producers with the information needed to obtain the USDA/NRCS cost share for transition to organic production and if listing newly added fields that are transitional with an eligible date for certification to certificate updates is acceptable.

The NOP provided a response on July 22, 2007 which indicated that the MDA policy was not acceptable to the NOP. The response mentioned that the NOP does not certify transitional ground. The NOP response did however mention that they would check into what is going on with the Cost Share Program.